

LOCAL AGENCY FORMATION COMMISSION COUNTY OF SAN BERNARDINO

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FROM: KATHLEEN ROLLINGS-McDONALD, Executive Officer

TO: LOCAL AGENCY FORMATION COMMISSION

**SUBJECT: AGENDA ITEM #8: WORKSHOP SESSION – LAFCO 2996 –
Reorganization to Include Formation of the Helendale
Community Services District and Dissolution of County Service
Area 70 Improvement Zones B and C**

RECOMMENDATION:

Conduct Workshop Session with the participation of the Task Force members and other interested parties and provide direction to LAFCO staff on the boundary to be utilized in the review process for the proposed formation of the Helendale Community Services District.

INTRODUCTION:

On August 12, 2005, the LAFCO Executive Officer certified as sufficient the petition initiating the proposal for formation of the Helendale Community Services District (hereinafter Helendale CSD) to provide for an independent special district providing water, sewer, streetlights, park and recreation, solid waste, and graffiti abatement services and the dissolution of County Service Area 70 Improvement Zones B and C (water and sewer providers). The boundary as originally proposed was drawn to include the existing territory of the Silver Lakes community, a planned community of approximately 3,500 lots, and territory currently under discussion with the County of San Bernardino for future residential development in excess of 3,000 lots. Attachment #1 includes a map of the proposed Helendale CSD circulated with the petition for initiation and Attachment #2 includes a copy of the Task Force application.

The Helendale CSD Task Force has been working on this application for almost two years. Their pursuit of an independent special district has been to provide

for local control of services to what is now a community of roughly 7,000 people, generally confined within the community known as Silver Lakes. Silver Lakes is a planned community developed utilizing two improvement zones of County Service Area 70 to provide for water and wastewater services and a private Homeowners' Association to manage 27 holes of golf in a private golf course, a clubhouse, private parks, two private man-made lakes, and other amenities.

Early on in the discussions with LAFCO staff, concerns regarding the definition of the Helendale community arose and the Task Force grappled with what is usually the most difficult determination for those looking for new government agencies to provide local control – boundaries. The Task Force looked to including the whole of the existing Silver Lakes community, those areas known to be proposing development in the near future (anticipated to be two to three years) and to provide a boundary which would protect territory for a possible future City of Helendale, if the community so desired. The boundaries as proposed included 58 square miles, which included the main entrance to the Silver Lakes community along National Trails Highway (also known as Old Highway 66), Helendale Road, which is anticipated to be developed into the major gateway to the community without the constraint of traversing the Santa FE Railroad Tracks or the Mojave River. The boundaries were also proposed to provide protection against intrusion from the Cities of Adelanto and Victorville to the south.

Upon certification of the petition as sufficient (containing a minimum of 10% of the registered voters in the area) and the submission of background documents required, LAFCO staff circulated the proposal for review and comment by the many interested and affected agencies in the area. A Departmental Review Committee (DRC) discussion of the application was scheduled by staff for September 22, 2005.

On September 21, 2005 LAFCO received letters from the City of Victorville and City of Adelanto expressing concern regarding the boundaries of the proposed CSD on the basis that the two had been in discussions regarding a potential expansion of their respective spheres of influence (copies of the letters are included in Attachment #3). The potential expansion area included the southern portion of the proposed Helendale CSD. These concerns were discussed at the DRC and LAFCO staff initiated a series of meetings with members of the Task Force for Helendale CSD and the City Managers and other representatives of the Cities of Victorville and Adelanto.

This workshop, then, is intended as a means for the Commission, the Helendale Task Force, the Cities of Victorville and Adelanto, and landowners and voters within the proposed CSD to discuss the issue of boundaries. No findings or determinations will be presented by staff; no recommendations regarding the proposal will be made other than related to a boundary to pursue in further

analysis of the application. The purpose of this report and Workshop Session is to provide introductory information on the Helendale CSD and the boundary issues which have arisen.

BOUNDARIES:

From October 2005 through January 2006, there have been three meetings to discuss the issues of the boundaries of the proposed Helendale CSD, which included LAFCO staff, Helendale Task Force members, and representatives of the Cities of Adelanto and Victorville. Staff is aware that there have also been a number of separate meetings between the parties to discuss methods to resolve concerns regarding the boundaries of the proposed CSD. However, during the joint meetings the following issues were highlighted:

For the Cities of Victorville and Adelanto:

- The original boundary proposed for the CSD included territory within the Southern California Logistics Airport (former George AFB, hereinafter shown as SCLA) Safety Review Area Boundary. The two Cities, members of the Victor Valley Economic Development Authority (VVEDA), were opposed to this territory being within another serving entity's jurisdiction.
- The future development of Helendale Road, traveling northerly from the existing City of Adelanto boundary, which is anticipated to be a new primary access road to the Silver Lakes community, needs to be improved and the formation of the CSD may not assist in that effort, in the opinion of the Cities. It was their position that they can more quickly address the development of the roadway and wished to achieve land use control in this corridor to assure funding and development.
- The Cities wished to have the consideration of the CSD deferred until their municipal service review/sphere of influence update could be completed including their requests for expansion of their respective spheres of influence.

For the Helendale CSD Task Force:

- The Task Force, representing those signing the petition, indicated that the community's desire was local control of those services currently provided in the area (water, sewer, solid waste collection and streetlights) and to address the necessary planning to provide those services that need to be provided in the future (park and recreation and graffiti abatement).

- The desire to provide for a boundary that encompassed the areas contemplated for development in the near term so that the services of the CSD could be discussed and funded as a part of the planning process.
- The preservation of the Helendale community so that in the future, should residents desire to consider incorporation, they would not be burdened by service delivery from another entity.

In a letter dated January 4, 2006, LAFCO staff requested that the Cities respond formally to the December 2005 boundary modification proposed by the Task Force. This request was made in order to move forward in processing the application so that hearings on the formation proposal could proceed since timeframes for calling an election are tight. The need for boundary resolution relates to concerns on completing the required environmental assessment, review of modifications necessary in the Task Force's submitted Business Plan and Feasibility Study, and staff's analysis to be presented to the Commission.

The staff's concern on timing for the consideration of the proposal relates to the available dates for the required election for the CSD. The available general election dates are currently November 7, 2006 and November 6, 2007 (there is no June 2007 election). These are the only general elections upcoming where the matter of the CSD can be considered. There is always the possibility of a special election, but the increased costs for such an election are not supported by the Task Force membership. Costs for an election on the formation proposal would be paid for by the new CSD, if successful, or by the County if the matter is defeated.

In order to place the matter on the next general election ballot, November 7, 2006, the Commission will need to follow the timeline described below:

- Final date for calling an election is August 11, 2006. However, candidate filing must occur between July 17th and August 11th.
- Between July 17th and August 11th, the Board of Supervisors would need to call the election following receipt of the Commission's resolution of approval.
- The final hearing available for the Commission consideration of the CSD would, therefore, be June 21, 2006.
- On or before May 30th (the date on which the June 21st hearing will be published), the environmental determination on the proposal will need to be completed.

So, staff is seeking direction at today's workshop from the Commission based upon the information received to date on which boundary should be evaluated in the further analysis for this application. In the staff's view, those options at present are:

1. The boundary as presented in the original petition and application materials included 58 square miles generally abutting the City of Adelanto and its sphere of influence on the south, and following section lines on the west, north and east. The boundary was chosen as it generally reflected the territory annexed to County Service Area 38 (fire protection) identified in 1975 (LAFCO 1571) as the Helendale community, but excluded the lands currently under Williamson Act contract to the northeast.
 - a. This boundary is opposed by the Cities of Victorville and Adelanto as it includes territory within the SCLA Safety Zone in the southwestern area.
 - b. This boundary includes the lands of the Silver Lakes community, it includes the lands proposed for development to the north (currently in process with the County Land Use Services Department), and it includes the lands of the project currently known as the Palisades Ranch southerly of the existing Silver Lakes community.
2. The Cities of Adelanto and Victorville initially requested that the boundary of the Helendale CSD be limited to territory within the Helendale School District. However, there is concern at this time that both Cities oppose the formation.
 - a. Their rationale in supporting the School District boundary is that it would more accurately represent the Helendale community and would not impinge upon lands under discussion between the two Cities for possible sphere of influence expansions.
 - b. The Helendale CSD Task Force agreed in a general sense, except for the area included within the Palisades Ranch project to the south along the eastern side of Helendale Road and for the territory easterly of National Trails Highway along the crest of the ridge.
3. During the negotiations, the Helendale CSD Task Force has proposed a modified boundary that would exclude the lands associated with the Safety Review Area and others in the southern portion of its boundary (12 square miles) of concern to the Cities, but proposes to expand their boundary to the west, north and east (December 10th modification). (Copies of letters

regarding modifications in boundaries from the Helendale CSD Task Force are included as Attachment #4).

- a. The Task Force's rationale is that the boundary as proposed would include the area of the intersection of Shadow Mountain Road and Highway 395, an existing paved access and transportation corridor for the community; it would include the entirety of the anticipated development projects under discussion with the County; it would include lands that will drain toward the existing CSA 70 Zone B wastewater treatment facility which is to be assumed by the Helendale CSD; and it excludes lands to the northeast which are under Williamson Act contract for the preservation of agriculture and open spaces.
- b. As noted above, during the consideration of this new modification and LAFCO staff's request for formal agreement on a boundary, the City Councils for both the Cities of Victorville and Adelanto indicated that they opposed the formation of the CSD in its entirety, not just the dispute regarding the boundaries.

So, the Commission and staff are faced with a very contentious boundary issue which is the lynchpin for future considerations on the proposal to form an independent special district. Reflecting upon the requirements of Cortese-Knox-Hertzberg that direct the Commission to consider a number of factors in its consideration, those that relate directly to evaluating the boundary of the action include, but are not limited to, topography, natural boundaries and drainage basins, the likelihood of significant growth in the area and adjacent areas during the next ten (10) years, the need for organized services and controls, and the definiteness and certainty of the boundary, the nonconformance with lines of assessment or ownership, and the creation of islands, peninsulas or corridors of territory.

In the staff's view, utilizing the measures outlined above, the December 10th modification proposed by the Task Force would meet that criteria. It should be clearly stated, however, that such a direction from the Commission does not preclude further modifications during the official Commission hearings on the proposal.

CONCLUSION:

Staff suggests that the Commission review the materials and testimony presented by LAFCO staff, by the Task Force members, by the Cities of Victorville and Adelanto, and any others present at the Workshop Session. At the conclusion of the Workshop Session, the Commission is requested to provide direction to staff

as to which boundary should be evaluated for LAFCO 2996 and direct that the matter be brought back as soon as possible for further hearings.

KRM/

Attachments:

1. Maps of Proposed Helendale CSD:
 - a. Original Proposal Boundary
 - b. November Modification Proposed by Helendale Task Force
 - c. December Modification Proposed by Helendale Task Force
2. Application and Business Plan/Feasibility Study (without copies of Zones B and C master plans)
3. Letters from the Cities of Victorville and Adelanto Related to Boundaries of LAFCO 2996
4. Letters from the Helendale Task Force Regarding Boundary Modifications